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UNCLAS SECTION 01 OF 03 AMMAN 001351

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: PGOV PHUM PREL KCRM KDEM KMPI ECON EINV JO

SUBJECT: ARAB COUNTRIES LAUNCH GFD INITIATIVE; PRESIDENT BUSH PLEDGES SUPPORT FOR ARAB LEADERS COMMITTED TO REFORM

REF: 04 AMMAN 08135

SUMMARY

1. (SBU) At a February 6-7 conference in Jordan, representatives of Arab governments formally launched the "Governance for Development in the Arab Countries" (GFD) initiative under the auspices of King Abdullah. The GFD calls for partnerships between Arab states and OECD countries and the UNDP in developing action plans centered around six public reform themes. Under Secretary of the Treasury John Taylor headed a U.S. delegation to the conference and read a personal message to participants from President Bush. A declaration adopted at the conclusion of the conference approved a three-year work plan to implement and monitor reform measures developed through regional working groups -- co-chaired by Arab and OECD countries -- and national committees. The U.S., Jordan and France will direct the working group on judicial reform and enforcement. Although the U.S. was a key player in bringing GFD together, Arab ownership of the initiative will be critical to its success. End Summary.

BACKGROUND

2. (SBU) Since 2001, the U.S. has been working to advance President Bush's Global Anticorruption Initiative. These efforts have encompassed the Global Forum on Fighting Corruption, the Millennium Challenge Account (MCA), and the formation of regional partnerships to combat government corruption worldwide, including in Arab countries. In September 2003, after earlier consultations with key Arab leaders throughout the Middle East and North Africa (MENA), the State Department hosted a meeting in Washington, D.C. with representatives from the Arab League, United Nations, OECD, and World Bank to develop a program that would promote good governance and reform in the region. Although State/INL funded all of the preparatory work, the Department has wanted to ensure from the beginning that this was an Arab-led process that would develop into a partnership with G8/OECD member states. Thirteen to fifteen MENA countries have been actively involved since the Washington meeting in designing a reform program framework under the GFD label. The goal of the GFD initiative is to assist MENA states in their efforts to modernize government structures and fight corruption in order to strengthen the rule of law, foster transparency and accountability, and increase investment and job creation. The government of Jordan (GOJ) has been chairing the GFD planning process over the past year with assistance from the OECD and the UNDP Secretariat. Arab organizers have promoted the GFD initiative as a means to help realize reform commitments made at the May 2004 Arab League Summit in Tunis.

3. (U) After a series of earlier meetings in Amman, Beirut, Rabat, and Cairo, a final preparatory meeting for the launching of the GFD initiative was held in Jordan in September 2004 (reftel). Fifteen Arab ministers (mostly Finance and Justice) and other participants unanimously approved the formation of the following six thematic working groups, each led by an Arab country with relevant reform experience in that particular subject: civil service performance (Morocco), e-government (UAE), oversight of public resources and funds (Egypt), public service delivery (Tunisia), civil society and open media (Lebanon), and judicial modernization and enforcement (Jordan). All groups will eventually formulate a work plan that includes specific recommendations and mechanisms for implementation. The OECD Council approved the GFD initiative in Paris in November 2004 and Jordanian Justice Minister Al Bashir presented it at the G8-sponsored Forum for the Future meeting in Rabat in December 2004. State has been working through the NSC and the G8 to integrate GFD into the G8 BMENA process. G8 countries (including the U.S.), the EU, World Bank and other donors have all pledged resources in support of the program.

A BUSY AGENDA

14. (U) From February 6-7, 2005, a ministerial-level conference with senior government officials from Arab and OECD countries was held at the Dead Sea in Jordan to officially launch the GFD initiative and unveil initial recommendations to develop and implement reform measures. The conference also provided an opportunity for attendees -- including individuals from the private sector and civil society groups -- to exchange ideas and views. Over 300 participants from 40 countries were present during the two days of meetings, including representatives from all Arab League states except for Saudi Arabia, Djibouti, Somalia and the Comoros Islands. (NOTE: Arab League chief Amre Mussa attended, as did delegations from Iraq and the Palestinian territories. END NOTE.) Official statements from the heads of delegations from each participating Arab and OECD state were followed on the first and second day by panel discussions on each of the six reform themes.

15. (U) Under Secretary of the Treasury for International Affairs John Taylor headed the U.S. delegation to the conference. In his address on February 6, Taylor highlighted the strong link between good governance and economic development while stating U.S. support for the GFD initiative as a means of improving peoples' lives in the region. He noted that efficient and transparent governance encourages investment, promotes better use of domestic resources, and increases the effectiveness of international aid. Taylor urged Arab states to integrate measurable indicators of progress into work plans and emphasized that good governance must be home-grown. "Only when the push for reform comes from within does reform have a chance of succeeding," he stated. Taylor also read a personal message from President Bush to conference participants applauding the efforts of those in the region who are working to advance "the universal values of human dignity, democracy, economic opportunity and social justice." The President's message expressed U.S. commitment to "helping nations that embrace clear standards of economic, political and social reform" and to backing leaders who push for positive change. In his statement, the President also announced that Jordan would host the G8 Forum for the Future in 2006.

16. (U) OECD Secretary General Donald Johnston noted in his remarks that "effective, efficient, fair and responsible government is essential for development" and that more can be achieved through international cooperation than by countries acting on their own. Johnston promised that the OECD would help provide financial support, technical assistance, and international best practices, but acknowledged that the success of the GFD initiative ultimately rested with the leadership of Arab states.

NEXT STEPS

17. (U) Following panel discussions on the second and final day, the conference concluded with Jordanian Justice Minister Salah Al-Bashir, head of the GFD Steering Committee, presenting a formal "declaration." This declaration, agreed to by Arab government representatives, formally approved the six reform themes in the GFD initiative and pledged support for the activities of the related working groups. To increase working group resources and expertise, the Arab chair of each group was partnered with one or two co-chairs from an OECD country. For example, the U.S. (along with the France) will co-chair the working group on judicial reform and enforcement with Jordan. The declaration further embraced a draft three-year work plan and committed Arab states to developing meaningful standards, criteria and indicators to monitor progress in reform implementation. (NOTE: Amre Mussa called on all Arab League members to work on implementing the actions and principles outlined in the GFD declaration. END NOTE.) The need for all participating countries to sign and ratify the United Nations Convention Against Corruption was also highlighted. The GFD declaration will be presented at the G8/Arab League conference in Cairo March 2-3, as well as at the annual Arab League Summit in Algeria in May. The next GFD meeting will be held in Spain in May 2005 to continue development of implementation mechanisms for the six reform themes.

18. (U) As currently envisioned in the work plan, the GFD initiative will be developed and implemented on three levels. At the regional level, the six thematic working group will meet approximately three times a year and serve as forums for exchanging information and analyzing obstacles to reform implementation across the Arab world. At the national level, each Arab state will create a national committee to develop country-specific action plans that reflect local priorities and capacities. Overseeing the entire process will be an Arab Steering Committee and a joint OECD/UNDP Program Executive Secretariat that will support the regional working groups and national committees. The estimated budget for the

GFD initiative is approximately USD 17 million. The President's statement, U/S Taylor's remarks, and the final GFD declaration can be found at the State/INL/Anticorruption website (www.state.gov/g/inl/corr/). Additional information may be found at the OECD website (www.oecd.org) as well as a specialized UNDP website (www.arabgov-initiative.org).

19. (U) In a press interview following the conference, Adel Abdellatif, regional coordinator for the UNDP's Programme on Governance in the Arab Region (which will help shepherd the GFD initiative), summarized the importance of what was achieved at the Dead Sea: "We got the endorsement of Arab countries for an initiative based on the 2004 Tunis Arab summit decision to adopt reform policies, and we have started to put into action that which the Arab leaders agreed to last year. The industrialized countries now support a purely Arab initiative ... and we have formally launched the reform process itself, using the six working groups as platforms for change."

COMMENT

110. (SBU) Conference participants were enthused by the GFD initiative, particularly the emphasis on forming innovative partnerships between Arab states and G8/OECD countries. Interest in these partnerships may help push along reforms in the region (which have often stalled in the past), while monitoring efforts using measurable standards and indicators should help ensure that oral support for reform results in real action. The final conference declaration underscores Arab commitment to ratifying the UN Convention Against Corruption - a key U.S. goal; many Arab attendees at the conference said that anti-corruption efforts will be one of the linchpins for the GFD initiative and other regional reform programs. In working with all partners, the U.S. succeeded in helping to develop an Arab-led initiative on governance that can be owned and supported by reform-minded leaders in the region. It further provides a vehicle for Arab countries to partner with the G8 and OECD on a number of governance areas essential to realizing reform. The U.S. will continue to work with other donors to support the six working groups, while State/INL will coordinate with USAID missions and NEA's MEPI Office on implementation of resulting projects, particularly those related to the rule of law, the judiciary, and budget transparency/public finance management. State/INL will also coordinate with EB and NEA on the OECD MENA Investment Initiative and with the NSC on related G8 efforts.
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